

C. DANIEL ROBERTS & ASSOCIATES, P.C.
ATTORNEYS AT LAW

415 WESTLAKE PLACE
1515 CAPITAL OF TEXAS
HIGHWAY SOUTH
AUSTIN, TEXAS 78746
TELEPHONE: (512) 327-7088
FACSIMILE: (512) 327-7088

April 1, 1998

VIA FACSIMILE AT (801) 538-7440
AND FIRST CLASS U.S. MAIL

Dan Moquin, Assistant Attorney General
Attorney General's Office for the State of Utah
1594 West North Temple, Suite 300 - Box 140855
Salt Lake City, Utah 84114

Re: Jumbo Mining Company, a Texas Corporation, Debtor
Bankruptcy Case No. 97-14326FRM

Dear Mr. Moquin:

As you are aware, this firm represents C. Daniel Roberts, the Chapter 7 Trustee in the above-referenced bankruptcy proceeding currently pending in the Western District of Texas, Austin Division.

The Trustee has reviewed the documents received from D. Wayne Hedberg, Permit Supervisor for the Mineral Regulatory Program, and consulted with Greg Milligan of this office regarding the representations and agreements reached during your recent telephone conversations with Mr. Milligan.

Accordingly, the Trustee is not going to attend the Board of Oil, Gas and Mining ("Board") meeting scheduled for April 22, 1998 ("Hearing") and object to the release of the bond money ("Bond") to State of Utah based upon the agreement that said funds are to be used to perform characterization work on the subject property. Any remaining funds are to be held by the State and used for reclamation activities based upon the conclusions of the characterization sampling program. ✓

By this letter, the Estate hereby acknowledges that the release of the Bond is by mutual agreement and that the Estate will not pursue such an action as a violation of the automatic stay.

Dan Moquin, Assistant Attorney General
Attorney General's Office for the State of Utah
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It is the Trustee's understanding that the purpose of the Hearing was to authorize the release of the Bond and access a new bond amount. Given the agreement set forth above, you will attend the Hearing and represent to the Board that the Estate does not oppose the release of the Bond. You will further request a continuance of the Hearing for purposes of accessing a new bond requirement until such time as the characterization work is complete and more determinative information is available on which to base an accurate bond amount.

Finally, please continue to advise Mr. Milligan as to the release of the Bond and the progress of the characterization work. I assume that you will not be able to draw on the Bond and start the characterization work until after the Hearing, but anything you can do to expedite this matter is greatly appreciated. I feel that it is in the best interest of both the Estate and the State that we determine the true character of the subject property as quickly as possible.

From Trustee's prospective, he must make a prompt determination as to the viability of administering the subject property as weighed against the possibility of abandoning the property as burdensome or of inconsequential value to the Estate. His feeling now is that he still has 30 to 45 days before a final decision has to be made on the matter.

If you have any questions regarding this matter, or this does not accurately represent our agreement, please contact myself or Greg Milligan of this office at (512) 327-7086.

Sincerely,



C. Daniel Roberts

CDR:gm